

SECURITIES

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART IIIRECEIVED  
MAR 04 2002

## OMB APPROVAL

OMB Number 3235-0123

Expires: October 31, 1989

Estimated average burden  
hours per response 12.00

## SEC FILE NUMBER

8- 51825

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/01 AND ENDING 12/31/01  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

## NAME OF BROKER-DEALER:

MultiTrade Securities, LLC

## ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

100 Park Avenue, Suite 1600

OFFICIAL USE ONLY

FIRM ID. NO.

(No. and Street)

New York,

New York

10017

(City)

(State)

(Zip Code)

## NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Luis Restrepo

(212) 880-2690

(Area Code - Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

## INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Grant Thornton LLP

(Name - if individual, state last, first, middle name)

60 Broad Street

New York

N.Y.

10004

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 12 2002

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THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

3/12/02  
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## OATH OR AFFIRMATION

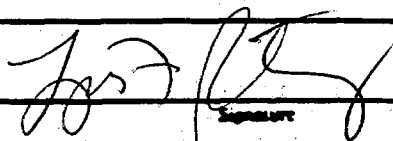
I, Luis F. Restrepo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MultiTrade Securities, LLC, as of December 31, 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Notary Public

SONIA V. COL  
Notary Public, State of New York  
No. 02CO6057476  
Qualified in New York County  
Commission Expires April 16, 2003

  
\_\_\_\_\_  
Chief Executive Officer  
Title

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-3(e)(3).

STATEMENT OF FINANCIAL CONDITION  
AND REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS

**MULTITRADE SECURITIES LLC**

December 31, 2001

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
**MultiTrade Securities LLC**

We have audited the accompanying statement of financial condition of MultiTrade Securities LLC (the "Company") as of December 31, 2001. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of MultiTrade Securities LLC as of December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

New York, New York  
February 21, 2002

MultiTrade Securities LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2001

ASSETS

Cash	\$322,361
Due from broker	302,570
Commission receivable	18,817
Furniture and equipment, at cost less accumulated depreciation of \$22,794	29,192
Other assets	<u>10,105</u>
	<u>\$683,045</u>

LIABILITIES, SUBORDINATED LIABILITIES AND MEMBERS' CAPITAL

Due to broker	\$ 97,000
Accrued expenses and other liabilities	<u>42,722</u>
	139,722
Subordinated liabilities	300,000
Members' capital	<u>243,323</u>
	<u>\$683,045</u>

*The accompanying notes are an integral part of this statement.*

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

December 31, 2001

**NOTE A - GENERAL BUSINESS**

MultiTrade Securities LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the National Association of Securities Dealers, Inc. ("NASD"). The Company is principally engaged in a customer commission business, introducing all customers to its clearing broker pursuant to a fully disclosed clearance agreement and is therefore exempt from the requirement of SEC rule 15c3-3 under paragraph k(2)(ii).

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Commission revenue and related expenses are recorded on a trade-date basis.

Furniture and equipment are carried at cost, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

The Company is a limited liability company for Federal and state income tax purposes, and, as such, the members are individually liable for Federal and certain state taxes. The Company is subject to local income taxes.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**NOTE C - DUE FROM BROKER**

The Company conducts business with its clearing broker on behalf of its customers pursuant to a clearance agreement. The Company earns commissions as an introducing broker for the transactions of its customers.

**NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)**

December 31, 2001

**NOTE C (continued)**

The Company has agreed to indemnify its clearing broker for losses the clearing broker may sustain as a result of the failure of the Company's customers to satisfy their obligations in connection with their securities transactions.

**NOTE D - SUBORDINATED LIABILITIES**

The Company has a subordinated loan agreement from one of its members for \$300,000, which matures on July 31, 2003. The agreement was approved for regulatory net capital purposes by the National Association of Securities Dealers, Inc. and bears interest at the three-month LIBOR plus 0.55% per annum. The LIBOR at December 31, 2001 was 1.895%.

**NOTE E - NET CAPITAL REQUIREMENT**

As a registered broker-dealer and member of the NASD, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1, which requires that the Company maintain minimum net capital, as defined, to be 6-2/3% of aggregate indebtedness or \$5,000, whichever is greater. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2001, the Company had net capital of \$504,131, which exceeded requirements by \$494,816.

**NOTE F - ECONOMIC CONCENTRATION**

The Company does business in conjunction with Bloomberg Tradebook, LLC and B-Trade Services, LLC, an affiliate of the Bank of New York Company, Inc. A customer of the Company must be licensed to use the services of Bloomberg and be located in and execute trades in Latin America. Otherwise customers must be mutually agreed to by both the Company and B-Trade Services. The above structure results in an economic dependency of the Company on Bloomberg and B-Trade services.

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL REQUIRED BY  
SEC RULE 17a-5

**MULTITRADE SECURITIES LLC**

December 31, 2001



**INDEPENDENT AUDITORS' SUPPLEMENTARY  
ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5**

Board of Directors  
MultiTrade Securities LLC

In planning and performing our audit of the financial statements and supplemental schedule of MultiTrade Securities LLC (the "Company") for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from

unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2001, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

New York, New York  
February 21, 2002

## Grant Thornton

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